

Air France unveils the most French of safety instruction videos



I Letter from the Director Air France-KLM

François Robardet Representative of employee and former employee shareholders PS and PNC

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Monday's Press Review

> Air France unveils the most French of safety videos

(source LCI) February 24 - It's an imposed figure, an obligatory passage for the companies as well as for their passengers. Before taking off, we don't cut off safety instructions, small films that have long remained very functional, but which for many airlines have become part of their identity.

At Air France, the video shown today after each boarding was dated 2015, and needed to be updated, and not just to relieve the weariness of the most frequent travelers. But while the previous video already fully embraced the French touch, the one that passengers will discover from March 1 next year doubles the price. "Bienvenue à bord", resolutely in French in the text.

In just a few minutes, it's a tour of the grand dukes of tricolor tourism, like a best-of of our emblematic sites, which serves as a backdrop for the two "cabin crew" who remind you that a seatbelt can be fastened, and that all Air France flights have been non-smoking for 20 years.

From the steps of the Opéra Garnier to the vineyards of Bordeaux, from the Château de Versailles to the Louvre galleries, the paintings follow one after the other, to come to dress instructions that are essentially already known, the text delivered here having changed little in the background. As Catherine Villar, Director of Customer

Experience at Air France,

explains to LCI (...) "The video is longer (43 seconds) than the previous

one, for a **number of** reasons: **we had to integrate a dozen new instructions", on the management of electronic devices, the arrival of new three-point belts, among others.**

What hasn't changed on the other hand, is Dorcas Coppin, the actress who plays the hostess, and who already had the lead role in the previous film, "as a link, we wanted this element of continuity and reassurance for our customers", we assure you at Air France. Another detail perfectly assumed, the French accent of the actor who takes care of the English ads... "We played on that string too, foreigners all tell us it's so charming...".

(...)

"60% of our clients are foreigners, and they are the ones who go to visit the Eiffel Tower and the Palace of Versailles. We wanted to show them a desirable, modern France, in which good living is part of our culture", explains Catherine Villar. Relying on eternal France to bet on a better future, after the most terrible year for the carrier. "Until 2019, we were the world's leading tourist destination, and we hope to become it again."

To close the 5 minute 29 video, the camera takes off from the second floor of the Eiffel Tower, where we find a full Air France crew, not actors this time. For Catherine Villar, "It was a way of saying thank you to the Air France staff, who have difficulty seeing the light at the end of the tunnel, and who were very proud to do so".

Finally, if Air France doesn't say anything about the precise cost of making the film, (...) the **company didn't** (...) have **to pay for the rental - usually prohibitively expensive - of these exceptional sets.** And whatever the amount, the final cost of the film should be compared to the expected number of spectators. In the five to six years of its life, the new sets should be seen by nearly 150 million passengers.

***My comment:** This very successful video is already making the rounds of social networks. If you haven't already done so, I invite you to discover it on the Air France corporate.airfrance.com website.*

> **KLM receives its first Embraer E2**

(source Le Journal de l'Aviation) February 24 - **Embraer celebrated the delivery of the first KLM E2 on February 23. The aircraft, an E195-E2, was acquired on a lease from ICBC Aviation. Registered PH-NXA, it will be operated by KLM Cityhopper and brings the number of Embraer aircraft in its fleet to fifty.**

The introduction of KLM's first Embraer E2 is also accompanied by

the arrival of the first Pratt & Whitney GTF engines within the Air France-KLM group. The most capable versions of the E-Jet E2 family (E190-E2 and E195-E2) are powered by PW1900G engines, capable of delivering up to 23,000 pounds of thrust (102 kN).

The Dutch carrier's E195-E2 will be capable of carrying 132 passengers: 20 in business class, eight in Premium Economy and 104 in economy class.

It will thus increase the airline's capacity, which currently operates seventeen E175s and thirty-two E190s with a total of 100 seats.

KLM Cityhopper is expecting twenty-five E195-E2s to modernize its fleet (and has options on ten additional aircraft). All of them will be leased, contracts having been signed with ICBC (for ten aircraft) and Aircastle (for fifteen).

"The new E2 will really make a difference," says Warner Rootliep, KLM Cityhopper's director, adding: "The addition of the E195-E2 to the fleet is an essential part of the plan to reduce [the airline's] environmental footprint by at least 50% per passenger per kilometer by 2030. »

My comment: *The KLM Cityhopper fleet is already the largest Embraer fleet in Europe.*

The new 195-E2 is an aircraft that consumes 9% less fuel per flight and emits 31% less CO² per passenger than the smaller and older E-190.

The only downside is that Wifi will not be immediately available. Due to the health crisis, the certification of the Wifi bump positioned on the fuselage has not been completed.

KLM explained that "the aircraft have been fitted with the necessary cabling inside, which means that we will soon be able to have the necessary systems connected by our own technical department at Schiphol".

> KLM wil toonaangevende touroperator in Nederland en België worden (KLM aims to become the leading tour operator in the Netherlands and Belgium)

(source Luchtvaartnieuws translated with DeepL) February 19 - **KLM surprised the travel world on Friday by taking a majority stake in tour operator Airtrade.** Both parties have big plans. "We want to become a leading tour operator," says Harm Kreulen, director of KLM Netherlands.

For years, Airtrade has been handling travel bookings through KLM

Package Deals and Transavia Holidays. By investing in the company, KLM hopes to have better control over the development of the technology behind the Package Deals.

(...)

The plan aims to position KLM not only as a strong airline but also as a major tour operator in the Netherlands and Belgium. "The tourism market will recover faster than the corporate market, so we see opportunities. I expect people to book package vacations with us to European destinations and for example the Caribbean," says Kreulen.

(...)

KLM is already working with various tour operators who buy seats on KLM flights. KLM will now compete with them. "They already had time to get used to the idea when we introduced the 'Package Deals'," says Kreulen.

(...)

KLM has been playing with the idea of launching KLM Holidays for some time, following in the footsteps of Transavia Holidays. Due to the Covid-19 crisis, these plans had been put on hold.

My comment: *KLM's positioning as a tour operator is going badly in the Netherlands.*

Tour operators working with KLM are moving up the ladder: they are questioning the legality of the operation. They believe that the billions of euros in government loans cannot be used to take control of a tour operator.

> **Air France Industrie builds a new maintenance site at Orly**

(source: Usine Nouvelle) February 26 - **In March 2021, Air France Industrie (AFI), the maintenance division of Air France, will launch the first works of the "single roof" project for the** construction of a new building on the Orly airport platform straddling the Essonne and Val-de-Marne rivers.

The aim of the operation is to bring together in a single building activities that are currently spread out over three separate workshops that are far apart. 80 technicians and mechanics will be assigned to these new premises, out of the 800 employees of Air France Industrie's engine activity at Orly. The work will take two years, with delivery scheduled for the second quarter of 2023.

"Single roof", which represents an investment of 30 million euros,

has received 800,000 euros in aid from the French stimulus package dedicated to industrial regions. The program has also received €1 million from the French region for innovation.

The project has several objectives. "The elimination of the load break between the different sites, the simplification of the organization and the digitalization of processes will **enable Air France Industrie to reduce the processing time for Air France's and its customers' engines by 15%,"** says a spokesperson for the airline's maintenance division. "AFI will also expand its processing capabilities for latest-generation engines, and in particular **will extend its offer to the maintenance of Pratt & Whitney GTF engines powering the Airbus A220,** of which Air France will receive the first of its order of 60 aircraft in September 2021. With the reduced engine downtime during maintenance operations made possible by the new site, Air France will also be able to make significant savings on the rental of replacement engines. **This project will help to secure jobs in the industrial activities at Orly, with the resumption of recruitment at the end of the crisis,"** explains AFI. As part of its support for the French region, Air France has also undertaken to strengthen its contribution to the professional integration of young people in the Roissy and Orly employment areas, in particular by developing an inclusive "engine maintenance" program.

> Air France: court action taken for short-time working fraud

(source Libération) February 26 - Trouble is flying in the squadron for Hop, the Air France subsidiary specializing in short-haul flights. For nearly a year, the company has been engaged in a restructuring plan aimed at eliminating 1 020 positions for a workforce of 2 600 employees. However, these staff reductions are being challenged by the Ministry of Labor. The conditions for reclassifying employees laid off within the parent company, Air France, are not deemed sufficient. In addition, **according to information obtained by Libération, criminal proceedings will be initiated against Hop by the labor inspectorate for... fraudulent use of short-time working benefits.** The case will be referred to the public prosecutor's office of the Nantes court of justice in the coming days.

The dispute relates to the remuneration of Hop pilots, who were placed on partial unemployment last year due to the collapse of air traffic as a result of the health crisis. However, some pilots are still working at a sustained pace. "As we have small aircraft, whose costs are lower, we have replaced a lot of the flights usually carried out by Air France with

larger aircraft, but which it is not profitable to fly with few passengers," confided one pilot. But from a **certain threshold - 67 hours of flight time per month - Hop pilots are paid according to a system of increased overtime. The labor inspectorate thus pointed out the illegality which consists for the Air France subsidiary to receive State aid for the partial activity and at the same time to remunerate some of its pilots in overtime.**

"Management was nevertheless alerted to the existence of this problem but it played the policy of burying its head in the sand," the same captain believes, under cover of anonymity. When the public prosecutor in Nantes will be seized, he will have the option of opening a preliminary investigation and entrusting a police department to shed light on this system, or he may decide to close the case. Solicited by Libération, neither the management of Hop nor that of Air France wished to react to this information. However, the question of how pilots are remunerated is also likely to be raised by the labor inspectorate in two other entities of the Air France-KLM group: **would the subsidiary Transavia, which specializes in low-cost flights, and the parent company Air France have set up similar remuneration systems, including short-time working and overtime plus coexistent ?** The question is being raised by the relevant departments of the Ministry of Labor. Especially since Air France, in which the State is a shareholder at 15 %, is one of the most massively supported companies since the beginning of the pandémie : the company in great difficulty has received 3 billion euros of direct aid from the State and a guaranteed loan of 4 billion... In the next few weeks, the government will also recapitalize Air France to the tune of 3 billion euros, in order to wipe out most of the slate of this loan.

In addition, another legal front should be opening up very soon for the airline. An action for summary judgment will be launched before the Bobigny court by the employees of the Hop subsidiary against the Air France management. This time, the dispute concerns 116 future pilots who are to be hired by the national airline. They all come from other companies. **The representatives of the Hop employees are protesting against the fact that nearly 200 pilots whose positions will be abolished in their company cannot be reclassified with their seniority in their parent company Air France, while at the same time the latter is preparing to hire these 116 pilots from outside the company.** "It's high time Air France respected labor law," said Joël Rondel, secretary of Hop's Social and Economic Committee (CSE).

Behind this conflict is played out behind the scenes, it seems, a story of big money. The remuneration of airline pilots is calculated according to

the aircraft on which they fly. The bigger they are, the higher their emoluments are. But to climb the ladder, pilots depend on a mechanism of advancement called "seniority list". Those of Air France would not appreciate seeing their colleagues from the Hop subsidiary with seniority bards arrive and steal a few promotion ranks from them. And therefore salary increases. Answer to these various disputes in the Nantes and Ile-de-France courts in a few weeks.

My comment: *If the information from Libération proves to be accurate, explanations will be necessary: how, in the midst of a health crisis, were HOP pilots, or even Air France or Transavia pilots, able to fly more than 67 hours per month?*

> **China: the envied but fragile rebound**

(source Le Journal de l'Aviation) February 27 - (...) After a sharp drop in traffic in February 2020 due to the discovery and ramp-up of the SARS-CoV-2 epidemic and the associated containment, **Chinese air transport experienced a V-shaped recovery and almost reached its 2019 level this fall.** For the full year, its traffic reached 61.7% of that of 2019, enough to make other regions of the world green with envy (...). However, **Chinese companies are also experiencing great difficulties, although they are supported by their state.** The most recent is the resurgence at the very beginning of 2021 of an epidemic that had appeared to have been under control for several months. The discovery of outbreaks in the northeast of the country led the authorities to impose confinements, particularly in Beijing, and to discourage the population from flying. For the second consecutive year, airlines had to draw a line under the peak of travel that accompanies the Chinese New Year (...).

They have also all announced that they will publish net losses for 2020. That of the three major Chinese groups - China Southern, China Eastern and Air China - could reach six billion dollars. This means that they should still lose less than the Air France-KLM group alone. On the other hand, the HNA group, parent company of several companies including Hainan Airlines, has been bankrupt for a month and could have lost between nine and ten billion dollars in 2020.

If China has managed to quickly recover capacities equivalent to those of 2019, it is because its airlines can rely on a very large and dynamic domestic market, already saturated before the pandemic and on which they have been able to quickly redeploy the capacities they previously had in the international sector. Today, fleets are overwhelmingly in service. Demand has certainly declined, but as soon as restrictions are lifted, people are moving. And this is the

pattern that is expected for traffic in the coming weeks: a rebound is anticipated for March. On the other hand, according to OAG, **the most profitable markets remain the international markets located less than six flight hours away, led by Japan, South Korea and Taiwan. Currently, however, the Chinese authorities strictly control international flights, and have in some cases limited them to one flight per week per country.**

(...)

The most positive point is still the cargo. Demand has never been so strong and several start-ups have been created in recent months, six according to Zheng Lei, to take advantage of this buoyant sector. During the spring festival alone, cargo flights more than tripled compared to 2019 and 2020. In January, the volume of cargo transported increased by 10.5% compared to January 2020 (4.4% on domestic and 24.7% on international).

***My comment:** All the major airlines are facing the same problem: their profitability will depend on the recovery of international activity, and therefore on the control of the pandemic.*

To secure travel, proof of vaccination against Covid-19 could be required. This is already the case with the yellow fever vaccine, mandatory for travel to tropical areas of Africa and South America.

> IAG is doing worse than Air France-KLM with a record loss of 6.9 billion euros for 2020.

(source Les Échos) February 26 - IAG fell heavily from its pedestal in 2020. **The most profitable of the major European air transport groups published on Friday the worst results in its history, but also, probably, in Europe, while waiting to know those of Lufthansa.** The parent company of British Airways, Iberia, Vueling and Aer Lingus generated a net loss of 6.9 billion euros (compared to 1.7 billion profits in 2019), almost equal to its turnover of 7.8 billion euros, down 69.4%. The operating loss was 7.426 billion euro, of which 1.47 billion euro was incurred in the fourth quarter.

Worse than Air France-KLM with a net loss of 7 billion euros, but for 11 billion euros in revenues! And none of the companies in the IAG group is there to buy out the others. British Airways, formerly the first in class, posted an operating loss of 4.378 billion euros, for 4.5 billion euros in turnover. Iberia is doing a little better with 1.41 billion in losses for 2.25 billion in revenues. Vueling, the Spanish low-cost subsidiary, on the other hand, is at the bottom of the hole, with 875 million losses for 574 million in turnover. The Irish company Aer Lingus

is doing a little better with 199 million losses for 658 million in turnover. Finally, Level, the long-haul low-cost subsidiary launched in 2017, has disappeared from the tables... and from the airports.

To its credit, IAG has been handicapped by this crisis. **Unlike Air France-KLM, the Hispano-British group has little presence in the two market segments - short-haul domestic flights and cargo - which have resisted the crisis best. Its main entity, British Airways, was the most exposed to the transatlantic market, which was among the first to close.** It also suffered three confinements in the United Kingdom, the European country most affected by the pandemic. Its traffic fell much lower than that of its competitors, with only 26% of its service offering in service in the fourth quarter.

In addition, IAG did not receive as much aid from the British government as those granted to Air France-KLM and Lufthansa. The group obtained only 2 billion pounds of guaranteed loans from Boris Johnson's government, less than the 2.7 billion pounds raised on the financial markets and from its shareholders.

All in all, **however, IAG remains as solid a group as Air France-KLM or Lufthansa, with 10.3 billion euros in cash and cash equivalents at December 31.** 10.3 billion at December 31. This will enable it to weather the crisis, provided that traffic picks up again this summer. In its press release, IAG makes no forecast for 2021. However, the announcement last Monday by Boris Johnson that the restrictions on international travel may be lifted as of May 17 has already been enough to trigger a surge in bookings for this summer and a doubling of connections on the British Airways website.

***My comment:** 6.9 billion in losses for IAG, 7 billion in losses for Air France-KLM, probably as much for the Lufthansa group (whose results will be published this week): the figures are staggering. Yet the three main European airline groups have implemented drastic savings plans.*

The hardest part is still to come: the resumption of flights will be gradual, country by country, which will require great responsiveness on the part of the airlines.

> **EasyJet records a jump in bookings thanks to the deconfinement plan**

(source AFP) February 23 - British airline **EasyJet announced a 337% surge in bookings from the United Kingdom within hours of government announcements that the economy would be reopened** thanks to the ebb of the virus. (...) EasyJet also notes in its late Monday night release that holiday bookings have soared by 630% compared to

the last few weeks **thanks to customers who want to "catch up"**.

British Prime Minister Boris Johnson said Monday that he wants to see a return to near-normal for the summer, presenting a deconfinement strategy that he wants to be "prudent" but "irreversible" and that will begin with the reopening of schools in early March. **Shares in the travel sector were up sharply on Tuesday on the London Stock Exchange in the wake of these announcements.** The airline sector has been one of the hardest hit by the pandemic and the activity restriction measures to contain it, which have led to a collapse in traffic since last March, with a brief recovery this summer.

EasyJet (...) expects to use only 10% of its capacity in the current quarter, due to containment in England and multiple restrictions on international travel. Europe's most mourning country with nearly 121,000 dead, the United Kingdom was confined for the third time at the beginning of the year, faced with an explosion of the epidemic due to a more contagious variant that appeared in the south of England, which brought hospitals to the brink of flooding.

***My comment:** The speed with which bookings have flowed into easyJet is cause for optimism; the recovery in air travel could be stronger than expected.*

> **Czech Airlines is laying off all its staff**

(source La Quotidienne) March 1 - Affected very severely by the health crisis at Covid, the national airline of the Czech Republic, **Czech Airlines (CSA), has just announced the dismissal of all its employees.**

(...)

For the moment the Czech airline, a member of the Skyteam alliance, based at Prague-Václav-Havel Airport, is protected against suspension of payments by court order, but this protection ended yesterday on the last day of February. One can therefore deduce that, unable to face the debts, without judicial protection, its future is not very promising.

Bought out in October 2017 by Smartwings (Travel Service), **Czech Airlines was born in 1923**, (so it is 98 years old) **and really didn't see the disaster coming.**

Only recently, Roman Vik, the boss of Smartwings, had publicly stated: "When 2020 started, it looked like we were heading for the best year in our history. Instead, we suffered the biggest crisis in the company's history. We had to take very tough measures to counter this deep

crisis".

My comment: *The longer the health crisis lasts, the greater the risk of airline bankruptcy.*

> **Volotea will operate at least fifteen Airbus A320s this summer**

(source Le Journal de l'Aviation) February 23 - As announced in January, **Volotea has decided to acquire aircraft with greater capacity than its A319s. The company confirmed that it was moving to the next level by introducing A320s to its fleet.** It announced that it has already acquired fifteen aircraft, notably from the fleets of Vueling, Aeroflot and Alaska Airlines, and could introduce four more by the summer if demand permits.

Volotea had already completed its transition to an all-Airbus fleet in January, when it retired its last Boeing 717s from service - its last 13 aircraft were retired between October 2020 and January 2021, with eight retired in January alone. Their withdrawal, initially scheduled for 2023, was anticipated to allow for fleet simplification with their replacement by the A320s.

In **addition to increasing its capacity by 15% thanks to these 180-seat aircraft** (compared with 125 on its 717s and 156 on its A319s), the **introduction of the A320s and the creation of a homogeneous fleet will enable the Spanish carrier to reduce training and maintenance costs**, simplify its operations and improve its environmental footprint (in terms of CO2 emissions per passenger as well as noise emissions). Carlos Munoz, founder and CEO of Volotea, says that the A320's operating costs are 20% to 25% lower than those of the Boeing 717: "This strong competitiveness will be necessary in a post-Covid-19 environment that may mean a drop in demand in the coming years. This **change will also enable us to be in the best conditions to take advantage of new future opportunities such as those created in Spain with the acquisition of Air Europa by Iberia and in France, with the restructuring of the domestic network.** »

My comment: *The health crisis will have accelerated the renewal of the Volotea fleet. The Spanish company, which has a strong presence in France, will be a serious competitor for Transavia France.*

> **The 787's defects, Boeing's other crisis**

(source Les Échos) February 28 - At Boeing, one crisis can hide another. While the aircraft manufacturer has just emerged from the long

737 Max crisis and has just made headlines again, following a spectacular incident on one of the Pratt & Whitney engines of a United 777-200, the **problem of manufacturing defects discovered in August 2019 on some 787s is growing. Deliveries of the Dreamliner, which were halted in October to allow for aircraft inspection, have not yet resumed.**

(...)

The story begins in August 2019, when Boeing engineers detected two defects at the joint between fuselage sections of some 787s manufactured in early 2019. These defects did not pose any immediate safety problems and were corrected without noise. But one year later, in August 2020, a new problem was detected on eight 787s, also manufactured at that time: the composite surface of some fuselage sections showed irregularities. The discrepancy was about a human hair's breadth, but it was enough to require a new phase of inspection of the 787s, under the supervision of the U.S. Civil Aviation Authority. Then begins a long and delicate work, which requires stripping some 80 aircraft already assembled and stored around Seattle and Charleston, in order to detect the tiny imperfections. In the meantime, deliveries had to be interrupted. And Boeing is not the only one concerned. At the end of January, the aircraft manufacturer's top boss, David Calhoun, announced that the checks had been extended to include aerostructure subcontractors, including the American company Spirit, which manufactures the nose cone and cockpit of all 787s.

(...)

But the troubles continue. On February 18, another directive from the FAA, the U.S. Civil Aviation Authority, requires Boeing to check another structural part in the cargo holds of 222 Boeing 787s. At the same time, the FAA imposed an additional fine of \$6.6 million on the aircraft manufacturer for failing to fully comply with its 2015 safety oversight commitments, again in the context of investigations into the 787's problems. This will add to the bill. **According to some analysts, Boeing, which has already had to set aside billions of dollars in provisions for the 737 Max and 777X, may be forced to make new provisions for the 787.**

(...) In

order to clear inventory, while demand for long-haul aircraft has dropped, Boeing **has decided to reduce production rates for the 787 to only 5 aircraft per month in 2021, compared to 10 in 2020 and 14 in 2019, while maintaining only one assembly line in Charleston, South Carolina.**

This **drop in production will have an impact not only on Boeing's accounts, but also on those of suppliers, including the Safran group, which** is responsible for several million dollars worth of

equipment on every 787 sold by Boeing. In fact, its CEO, Olivier Andriès, has already announced that the reduction in deliveries will lead to new savings measures.

My comment: *Problems on the B777-200, problems on the B737 Max, problems on the B787, there is a lot to wonder about.*

The reports of the US administration on each of these cases lead to similar conclusions for the two oldest models (the B777-200 and the B737 Max): the controls performed or recommended by the aircraft manufacturer are insufficient.

> Up to 30,000 jobs could disappear at Roissy-Charles-de-Gaulle.

(source Le Monde) March 1 - (...) The hour is serious. At Roissy, **Gibag-SGH**, a subsidiary of the 3S group specializing in airport assistance and security, **wants to cut 10% of its workforce**, i.e. 18 employees out of 178. A few weeks before Gibag-SGH, it was **Flybus**, a subsidiary of the Transdev group specializing in transporting passengers from the terminal to the plane, that pulled out the reaper with the **objective of cutting 34 jobs out of 96**, or a third of the workforce, deplores Zainil Nizaraly, Secretary General of the Federation of Equipment, Environment, Transport and Services (FEETS-FO).

Gibag-SGH, Flybus, are only the vanguard of what Nordine Kebbache, CGT delegate and truck driver for Transdev at the Roissy platform, announces as "a genocide on employment" that should decimate the airport's many subcontractors. A myriad of companies estimated at 700 or 800, active in baggage handling, security, airport assistance, aircraft cleaning. A gloomy prediction unfortunately confirmed by **Marc Deman, Deputy Director of Paris CDG Alliance**, a public interest grouping that brings together public and private players from the Paris-CDG area and its surroundings, such as Groupe ADP, Air France, the Île-de-France region, and the departments bordering the airport, Seine-et-Marne, Seine-Saint-Denis and Val-d'Oise.

Mr. Deman **forecasts "20,000 to 30,000 job cuts by mid-2022**. A real hecatomb for the Roissy-Charles-de-Gaulle platform which, according to the latest figures at the end of 2019, employs more than 94,000 direct and indirect employees. (...) The echo of the crisis is being felt in all sectors of activity. With airports in slow motion, car rental companies, hotels, which are implementing plans to safeguard jobs, says the manager.

(...)

Unlike the major social plans, such as those of Air France with nearly

7,600 job cuts or even the ADP Group (formerly Aéroports de Paris), which wants to make 1,500 leave, it is **a multiplicity of PSEs that will add up in the coming months.**

Each time, a few dozen or, more rarely, a few hundred employees are being pushed out. In addition to Gibag-SGH or Flybus, the CGT, Sud-Aérien or FO point the finger at the company **H. Reinier**, specializing in the transfer of transit baggage, which is **preparing a voluntary departure plan for 80 employees** out of a total workforce of 450, or **WFS, whose 220 baggage handlers are expected to lose their jobs after the company goes into receivership.**

The unions fear that the adage that "one job cut at Air France will lead to two to three job cuts in subcontracting" will once again be true. In particular because, as Nordine Kebbache points out, **"the two big principals at Roissy are Air France and ADP and the majority of subcontractors work for them"**. "I work for Transdev but, at Roissy, I drive trucks for Air France. We only do Air France," he says.

According to the trade unions, **"with the crisis, Air France has decided to renegotiate all its contracts with subcontractors. On the decline.** To keep or recover contracts, companies are adapting. Such as **CBS** (...). This baggage handler, a subsidiary of an American group, **would refuse the long-term partial activity scheme (APLD) in favor of a judicial liquidation. The means for management to create a new company by re-employing "at lower wages"**. The ADP Group's decision to close Terminals 1 and 3 to concentrate the little activity in Terminal 2 has had direct consequences on subcontracting: practically "all the companies in Terminal 1 have launched PSEs," deplures the CGT trade unionist.

In practice, the thousands of redundancies announced should further increase the economic difficulties of the communes and departments bordering the airport. (...)

My comment: *Some subcontractors at the Roissy and Orly hubs are unable to meet the specifications of Air France or Aéroports de Paris, which have been revised downwards. They are almost condemned to disappear.*

This is a disaster for the employees concerned.

It is a risk for the clients when the activity starts up again: subcontractors could be unable to meet their needs.

Stock market press review

> Suspicions of 'short squeeze' on Air France-KLM

(source Reuters) February 25 - The **Air France-KLM share was one of the strongest performers on the SBF 120 index on Thursday morning, as analysts suspected a new episode of forced liquidation of short positions** ('short squeeze') on one of the best-selling stocks in the aviation sector.

(...)

"A short squeeze is the only thing that makes sense," said Goodbody analyst Nuala McMahon, explaining Air France-KLM's 10% jump. A point of view also shared by an analyst at Bernstein.

(...)

The short squeeze phenomenon has fuelled a surge in volatility in the US and European markets since the end of January. The prices of several distressed companies, such as GameStop, targeted by investment funds specializing in short selling, soared after a wave of buying encouraged by individual investors gathered on social network forums. (Sarah Morland, French version Laetitia Volga, edited by Jean-Michel Bélot)

> How short selling works

(source L'internaute) August 23, 2011 - On the stock market, **short selling is the act of selling a security without owning it and then buying it back later**. This operation is only possible for shares that are eligible for the deferred settlement service (SRD). **The purpose of the manoeuvre is, of course, to sell a security at a certain price and buy it back at a lower price to obtain a capital gain.**

Contrary to a classic stock exchange order, the transaction is not paid in cash, it is only at the end of the month that the shareholder honors his commitments, as for a deferred debit bank card. In the stock market, this is called the liquidation day. All orders placed during the month are accounted for to determine the differences between buy and sell positions on the same security. The fact that the date on which the orders are placed does not count for settlement explains why it is possible to sell before buying. The purchase is settled when the funds will not be available in the account until the end of the month.

My comment: *As indicated above, the sharp rise in the Air France-KLM share price in recent days is probably due to the "forced liquidation of short positions". In fact, the trading volume was two to three times higher than usual for three days.*

Some investors had bet on a drop in the share price of the Franco-Dutch group after the announcement of the 2020 results. This did not happen.

A similar episode had been observed at the end of the previous trading month, on January 27 and 28, 2021.

End of the press review

> Advice for employee and former employee shareholders

Annual statements from Natixis and/or Société Générale are currently being sent out. By default, these statements are sent by post.

You will find on my [navigaction](#) website the access modalities to the managers' websites.

To avoid forgetting to change your contact details each time you change your postal address, **I advise you to enter a personal e-mail address.** It will be used for all correspondence with the management bodies.

Keep all the documents relating to your Air France-KLM shares in one place: all your correspondence received from the various managers, Natixis, Société Générale, your personal financial institution if you purchased your shares through it.

> My comment on the evolution of the Air France-KLM share price

The Air France-KLM share is at 5.624 euros at the close of business on Monday 1 March. It is up +12.39% over one week (see above for explanations of this surge).

Since the end of November 2020, the share price has remained around 5 euros.

Before the coronavirus epidemic, the Air France-KLM share was at 9.93 euros.

The average (the consensus) of analysts for AF-KLM shares is 3.31 euros. The highest target price is 5 euros, the lowest is 1 euro. You can

find on my blog the details of the analysts' consensus. I do not take into account the opinions of analysts prior to the beginning of the health crisis.

The barrel of Brent oil (North Sea) is stable at \$65. It has been rising steadily since the end of October 2020.

It is close to its pre-pandemic level of \$69.

This indicative information in no way constitutes an incitement to sell or a solicitation to buy Air France-KLM shares.

You can react to this press review or provide me with any information or thoughts that will help me better carry out my duties as a director of the Air France-KLM group.

You can ask me, by return, any question related to the Air France-KLM group or to employee shareholding...

See you soon.

To find the latest press reviews of Monday, it is [here](#)

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| François Robardet

Director Air France-KLM representing employees and former employee shareholders PNC and PS.

You can find me on my twitter account @FrRobardet

When I was elected, I received the support of the CFDT and the UNPNCCThis

press review deals with subjects related to Air France-KLM shareholding. If

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To reach me : [message for François Robardet](#). 10841 people receive this press review live